

Greenhouse Gas Verification Statement Number 5683534 - 2020

The Product Carbon Footprint Calculation Tool of
Klasmann Deilmann GmbH

Georg-Klasmann-Str. 2-10
49744 Geeste
Germany

has been verified in accordance with ISO 14064-3:2019 as enabling calculation of
carbon footprints

**For the following calculation tool for substrate products:
56f_KD PEAT Corporate_SQ_2020_SCE2018_210621_final_list_210928**

Lead Assessor: Dina Bauer
Technical Reviewer: Paula Gómez Geras

Authorised by:


i.V. Thomas Smyk
Customer Service
Industries & Environment
Environment, Health and Safety

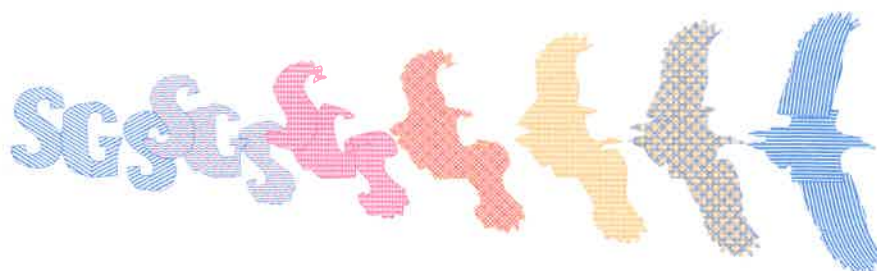
SGS Institut Fresenius GmbH


i.A. Dina Bauer
Lead Auditor
Industries & Environment
Environment, Health and Safety

SGS Institut Fresenius GmbH
Goerzallee 305a

Verification Statement Date: 18th October 2021

this Statement is not valid without the full verification scope, objectives, criteria and findings available on pages
2 to 3 of this Statement.



**Schedule Accompanying Greenhouse Gas Verification Statement
Number 5683534 - 2020**

Brief Description of Verification Process

SGS has been contracted by Klasmann-Deilmann GmbH, for the verification of a methodology and tool used to calculate the Product Carbon Footprint of substrate products in accordance with ISO 14064-3:2019

Roles and responsibilities

The management of Klasmann-Deilmann is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS' responsibility to express an independent GHG verification opinion on the GHG emissions as provided in the Klasmann-Deilmann product carbon footprint calculation methodology and tool.

The verification was based on the verification scope, objectives and criteria as agreed between Klasmann-Deilmann and SGS on 01st March 2021

Level of Assurance

The level of assurance agreed is that of limited assurance

Scope

Klasmann-Deilmann has commissioned an independent verification by SGS of the Product Carbon Footprint methodology and calculation tool to establish conformance with the principles of relevance, completeness, consistency, accuracy and transparency within the scope of the verification as outlined below.

The data and information supporting the GHG assertion were historical in nature, based on collected data from 2020.

This engagement covers verification of the client's own methodology and tool for calculating emissions. The tool has the option to calculate emissions from cradle-to-gate or cradle-to-grave sources of greenhouse gases included within the life cycle of the product. The tool is modular, and the option also exists to calculate emissions from cradle-to-gate plus transportation of product to the client including choice of mode of transport, selection of production site and origin of ingredients, the use phase and the end of life phase, taking account of emissions over a period of 1 to 100 years. The verification is based on ISO 14064-3:2019.

The scope of this engagement covers:

- The assessment of fugitive emissions from peat fields (land use change), including after use of land and drying of peat, raw materials, peat extraction, production of other ingredients, transport, packaging, bulk storage, energy consumption and consumer phase emissions (for one year or for complete observation period).
- Physical infrastructure, activities, technologies and processes of the organization: peat winning, after use of peat areas, the production of substrates, internal transport (but sub-contracted transports without empty journeys back), use and the end of life.
 - Types of GHGs included: CO₂, N₂O, CH₄.
- Intended user of the Verification Statement: internal and external use (customers, suppliers, investors and other).

Objective

The purpose of this verification exercise is, by review of objective evidence, to independently review:

- The methodology employed in the tool calculates CO₂ equivalent emissions per functional unit according to the requirements of the criteria below.

Criteria

Criteria against which the verification assessment are the principles of relevance, completeness, consistency, accuracy and transparency

Materiality

The materiality threshold applied by SGS was 10%, based on the needs of the intended user.

Conclusion

Klasmann-Deilmann provided the Product Carbon Footprint Methodology and Calculation Tool based on the principles of relevance, completeness, consistency, accuracy and transparency. The methodology employed, the tool used to calculate the product carbon footprint of substrate products based on different recipes, and the input data for 2020 used in the tool are verified by SGS to a limited level of assurance, consistent with the agreed verification scope, objectives and criteria.

SGS' approach is risk-based, drawing on an understanding of the risks associated with modeling GHG emission information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the reporting of emission information.

SGS concludes with limited assurance that, there is no evidence that the Methodology and Product Carbon Footprint tool stated above is not materially correct and does not present data that is complete and accurate, prepared following the requirements of the client's own methodology.

SGS makes the following qualifications:

- The methodology used for the calculation of fugitive emissions from peat is based on ongoing research and has inherent uncertainties because of this but is estimated as lower than 1%. This uncertainty has not been accounted for within the materiality level applied. For 2016 for the first time the results of two years own GHG measurements were used.
- The methodology used for the calculation of fugitive emissions from peat provides a net emissions figure taking account of baseline emissions that would have occurred without the activities of the client.

Note: This Statement is issued, on behalf of Klasmann-Deilmann GmbH, by SGS Institut Fresenius GmbH ("SGS") under its General Conditions for GHG Validation and Verification Services. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement, the findings and the supporting GHG Assertion may be consulted at Klasmann-Deilmann (www.klasmann-deilmann.com). This Statement does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.